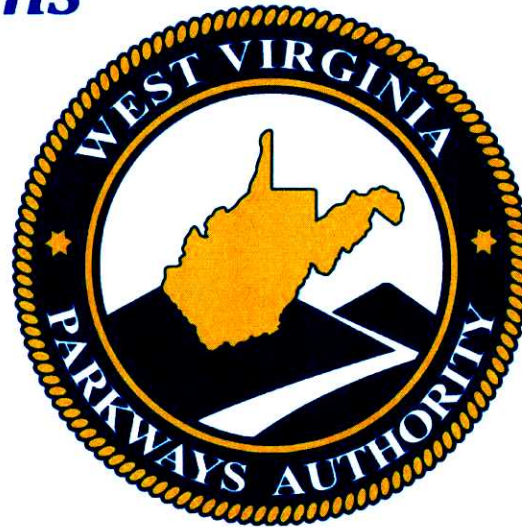


Presentation for Select Committee on Infrastructure *November 2015 Interims*

November 15, 2015



Presented by:

Gregory C. Barr, General Manager

West Virginia Parkways Authority ("Parkways Authority")



Turnpike Overview - \$1 Billion Asset

• Length	88 miles
• Lane Miles	426
• Bridges	116
• Steel Surfaces of Bridges	4 million s.f.
• Bridge Deck Area	1.7 million s.f.
• Interchanges	18
• Toll Plazas	4
• Travel Plazas	3
• Welcome Center	1
• Rest Areas	2
• Facilities	300,000 s.f.
• Culverts	6,248
• Signs	4,070
• Roadway Lights	900
• Acres of Mowing	595



Turnpike Overview

- **Parkways Authority receives no funding from the State or the Federal government for maintenance, operation or capital repairs**
- **Tolls (“user fees”) provide the funds for maintenance, operations and capital repairs and free up tax dollars to be used by the WVDOH for all of the other highways and bridges in WV**
- **360 full and part-time Parkways Authority employees with State benefits**



Turnpike Personnel

- **360 Parkways Authority Employees:**
Full time (332) and part-time (28) with State benefits
- **Toll - 160**
 - Full time 132; part-time 28
- **Maintenance - 145**
 - Beckley Maintenance • Ghent Maintenance • Standard Maintenance • Warehouse • Administration • Mechanics • IT • Sign Shop • Carpentry Shop • Utility Shop • Water & Sewer Treatment • Heavy Equipment • Chelyan Maintenance • Landscaping
- **Other - 55**
 - Tourist Information Center (21)
 - Administration (11)
 - Customer Service Center/Accounting (11)
 - Radio Operators (12)



Who Uses the Turnpike?

- **76% of toll revenues come from out-of-state passenger and commercial vehicles* (\$64.5 million)**
- **Commercial traffic accounts for 48% of toll revenues (\$40.8 million)**
- **35.9 million toll transactions with patrons on the Turnpike in FY/2015**
- **Average daily transactions approximately 98,000 per day**
 - **79% are privately owned vehicles and**
 - **21% are commercial vehicles**
- **16% of toll revenues come from WV passenger cars and 8% from WV commercial vehicles***

*** Per April 2009 Wilbur Smith Traffic Study**



Trust Indentures Covenants and Requirements

- Turnpike bonds are the direct and general obligations of the Parkways Authority payable solely from toll revenues (*not a debt of the State of WV*)
 - Currently \$38.395 million outstanding
 - Annual debt service \$10.8 million
 - Final Payment May 15, 2019
- Tolls shall be fixed to provide for payment of all expenses, debt service and required reserves
- Parkways Authority shall at all times operate the Turnpike in a sound and economical manner and shall maintain, preserve and keep the same in good repair, working order and condition



Existing Statutory Provisions Re: Cessation of Tolls

WEST VIRGINIA CODE

§17-16A-18. *Cessation of tolls.*

(a) Except as provided herein, when all bonds issued under the provisions of this article in connection with any parkway project or projects and the interest thereon shall have been paid or a sufficient amount for the payment of all such bonds and the interest thereon to the maturity thereof shall have been set aside in trust for the benefit of the bondholders, such project or projects, if then in good condition and repair to the satisfaction of the Commissioner of the state Division of Highways, shall be transferred to the state Division of Highways and shall thereafter be maintained by the state Division of Highways free of tolls.



Existing Tolling Authority

- **Authority currently has independent bonding authority**
- **Existing West Virginia Code states that the Parkways Authority cannot issue revenue bonds for the purpose of paying the cost of the West Virginia Turnpike**
- **Aggregate amount of the Turnpike's outstanding principal amount of bonds cannot exceed \$200 million**



Turnpike Revenues and Expenses

- **FY/16 Budgeted Highway Operations (in millions)**

• Operating Revenues -	\$84.8
• Tolls -	\$84.6
• Investment income -	\$.2
• Operating Expenses -	\$39.8
• Maintenance -	\$18.7
• Toll/Cust.Svc./Acct.	\$12.0
• State Police/Ops. Ctr.	\$ 3.8
• Admin/TIC/Non-Dept.	\$ 5.3
• Principal and Interest on Bonds	\$10.8
• Capital Expenditures – Roadway, Bridges & Facilities	\$34.2



Cost to DOH After 2019 with No Toll Revenues

- **Annual Expenditures (in millions)**

• Pavement – Mill & inlay program	\$14
• Bridges – Average age of 40 years	
• Deck replacements (80% replaced over 30 years)	\$22
• Painting (excludes \$50M for Truss Painting)	\$ 2
• Bridge deck overlays/sealing & retrofit	\$ 3
• Routine maintenance (snow removal and ice control, mowing, patching & litter)	\$ 5
• Non-routine maintenance	\$ 7
• Equipment replacement	\$ 2
• Culverts/drainage	\$ 2
• Pavement striping/guardrail/signage	\$ 3

**ANNUAL AMOUNT NEEDED FOR
PRESERVATION OF THE TURNPIKE:**

\$60



Additional Impacts to State Revenues with the Removal of Tolls – Post 2019

- **Extensive painting of Yeager & Bluestone Bridges (\$53 million)**
- **Dismantle and remove toll plazas (\$23 million)**
- **Tamarack operations funding?**
- **State Police (\$4.3 million) & Tourist Information (\$1.3 million funding?)**
- **Widening project – Beckley from I-64 to North Beckley (Rt. 19) (\$60 million)**
- **Unemployment – Approx. 360 employees – Civil Service vs. At Will**



Additional Impacts to State Revenues with the Removal of Tolls – Post 2019

- **Over 30 years, tolls generate \$2.5 billion in revenue for WV and \$2.0 billion comes from out-of-state users**
- **Loss of independent bonding authority**
- **Without tolls, fuel taxes may have to increase by 5 cents per gallon just to maintain the WV Turnpike**
- **Travel Plaza operations**
- **Current unfunded pension obligation (\$3.925 million) and Other Post-Employment (health care) Benefits (OPEB) (\$10.293 million)**
 - **Future obligations unknown**